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No. 97-1201

IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,

Petitioner,

v.

ELI LILLY AND COMPANY,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S SUPPLEMENTAL BRIEF IN OPPOSITION

Of Counsel:
AMY E. HAMILTON
ELI LILLY AND COMPANY
Lilly Corporate Center
Indianapolis, IN 56285
(317) 276-3169

DONALD R. DUNNER
Counsel of Record
CHARLES E. LIPSEY
HOWARD W. LEVINE
JOHN R. ALISON
FINNEGAN, HENDERSON
FARABOW, GARRETT &
DUNNER, L.L.P.
1300 I Street, NW
Washington, DC 20005
(202) 408-4000

Counsel for Respondent

PRESS OF BYRON S. ADAMS ✦ WASHINGTON, D.C. ✦ 1-800-347-8208

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PARTIES TO THE PROCEEDING BELOW

The parties are Petitioner, Regents of the University of California, and Respondent, Eli Lilly and Company. Eli Lilly and Company possesses neither a parent company nor any non-wholly owned subsidiaries.

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I. INTRODUCTION

Subsequent to the filing of Lilly's Brief in Opposition to the Regents of the University of California's Petition for a Writ of Certiorari, this Court decided *Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 118 S. Ct. 956 (1998). In *Lexecon*, the Court held that a judge presiding over a multidistrict litigation could not "self-transfer" a case to the multidistrict forum pursuant to the express language of 28 U.S.C. § 1407. Accordingly, respondent Eli Lilly and Company ("Lilly"), pursuant to this Court's Rule 15.8, submits this supplemental brief in order to address the effect of the Court's decision in *Lexecon* on UC's pending petition.[1]

As will be discussed below, the *Lexecon* decision should have no bearing on this case. The Federal Circuit specifically held that the Regents of the University of California ("UC") *waived* the *Lexecon* venue issues. Moreover, UC failed to properly raise the waiver issue in the "Question Presented" in its petition before this Court. Thus, UC's suggestion that this Court should grant certiorari, vacate the lower judgment, and remand ("GVR") is inappropriate under these circumstances. UC has already failed to properly raise the issue before both this Court and the Federal Circuit and no further proceedings are needed to dispose of UC's petition.

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[1] *See* Robert L. Stern et al., *Supreme Court Practice*, 377 (7th ed. 1993)(stating with regard to supplemental briefs that "the Court wants such briefs to be filed in order to be advised of new factors that may affect its consideration of the case.")

II. THE COURT'S DECISION IN LEXECON HAS NO BEARING ON THE INSTANT CASE

A. UC Waived the *Lexecon* Issue in the Lower Courts

UC asserts that it "continuously objected to the improper venue[,]" and thus "as in *Lexecon*, remand to a proper forum is compelled." (UC Reply Br. at 1.) The fundamental defect in UC's argument, however, is that UC did *not* continuously challenge the propriety of the self-transfer under § 1407, as did the petitioner in *Lexecon*. Instead, UC *failed* properly to raise this issue at all. In direct contrast to the instant case, the petitioner in *Lexecon* sought a writ of mandamus from the Ninth Circuit *immediately* after the improper self-transfer, asserting that the multidistrict court's self-transfer contradicted the express language of § 1407. Moreover, the *Lexecon* petitioner again raised on appeal to the Ninth Circuit the validity of the self-transfer. Due to these efforts to preserve the § 1407 issue, the Court required remand in the *Lexecon* case because:

> the § 1407(a) mandate would lose all meaning if a party who continuously objected to an uncorrected categorical violation of the mandate could obtain no relief at the end of the day.

Lexecon, 118 S. Ct. at 966. Yet, *unlike* the petitioner in *Lexecon*, UC failed to assert before the district court that § 1407 precluded it from transferring the case to the Southern District of Indiana, failed to raise the § 1407 issue on mandamus to the Federal Circuit after the district court ordered the transfer, and failed to raise the issue in its principal brief on the merits before the Federal Circuit. While UC did challenge whether the transfer violated the Eleventh Amendment and

whether Judge Dillin properly evaluated the statutory criteria set forth in 28 U.S.C. § 1404, it did not allege that the plain language of § 1407 required remand. Because UC never raised the venue defect under § 1407 at a time when the trial court could have cured the defect, and thereby have avoided an unnecessary trial, and because UC failed to raise the § 1407 issue in its principal brief on appeal, UC waived this venue issue, as specifically found by the Federal Circuit.

Moreover, as stated on pages 21-22 of Lilly's brief in opposition, UC's raising of a § 1404 venue issue and an Eleventh Amendment venue issue does not fairly include the § 1407 venue issue for the same reason that raising a physical taking claim does *not* fairly include a regulatory taking claim. *Yee v. Escondido*, 503 U.S. 519, 537 (1992). While the § 1404, § 1407, and Eleventh Amendment challenges to venue are all subsidiary to the question of "was venue proper?"—as in *Yee*, "they exist side by side, neither encompassing the other." *Id.*

In view of the foregoing, UC's proposed remedy of GVR would be a waste of the resources of this Court and the Federal Circuit. The Federal Circuit has *already* determined that the issue has been waived. Indeed, it is this very fact that distinguishes the instant case from the authority cited by UC at page 4 of its Reply Brief. In not one of UC's cited cases did the Court of Appeals explicitly hold that the party waived the issue upon which the Court granted a GVR.[2] Moreover, this Court held—and UC does not challenge—that the venue concerns

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[2] For example, *Hormel v. Helvering*, 312 U.S. 552, 555 (1941), involved a situation where the appellate court affirmatively chose to decide an issue not raised before the Board of Tax Appeals. The facts of *Hormel*, however, have no bearing on the instant case where the appellate court, the Federal Circuit, affirmatively held that UC waived the *Lexecon* issue and thus did not consider it.

raised by UC are indeed waivable. *See Olberding v. Illinois Central R. Co.*, 346 U.S. 338, 340 (1953)(holding that venue is "a limitation designed for the convenience of litigants, and, as such, may be waived by them"), *cited in Lexecon*, 118 S. Ct. at 965; *Leroy v. Great Western United Corp.*, 443 U.S. 173, 180 (1979)(stating that personal jurisdiction and venue may be waived by the parties).

B. UC Failed Properly to Raise the Waiver Issue Before this Court

To warrant remand, this Court would first need to determine that the Federal Circuit's waiver determination was erroneous. However, as discussed at pages 16-19 of Lilly's brief in opposition, this issue is not now before the Court because UC failed to raise the waiver issue as one of its questions presented, as required by Rule 14.1(a). *Izumi Seimitsu Kogyo Kabushiki Kaisha v. U.S. Philips Corp.*, 510 U.S. 27, 31-32 (1993). In a flawed attempt to distinguish *Izumi*, UC argues that the petitioner in *Izumi* tried to raise issues in its merits brief that had not been addressed "at all" in its petition for *certiorari*. (UC Reply Br. at 2 n.2) In making this statement, UC ignores the facts of *Izumi*. The Court specifically found that Izumi *did* discuss the issue in its *certiorari* petition but held, nevertheless, that it was still *not* properly before the Court. The Court plainly stated that "the fact that Izumi discussed this issue in the text of its petiton for certiorari does not bring it before us." 510 U.S. at 32.[3] Accordingly, the fact that UC discussed the Federal Circuit's

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[3] In fact, the dissent pointed out that Izumi's petition "devoted an entire section" on the intervention issue, the issue which the majority held was not presented as a question and thus would not be addressed by the Court. 510 U.S. at 35.

finding of waiver in its certiorari petition does *not* bring it before this Court.

Moreover, contrary to UC's assertions (UC Reply Br. at 2), the waiver issue is *not* fairly included in UC's second question presented. As was the case in *Izumi*, the waiver issue is a threshold inquiry which in no way depends on the merits of the underlying issue and is analytically distinct from whether the statutory language of § 1407 precludes self-transfer. Furthermore, the question of whether the Federal Circuit correctly found that UC had waived the issue is unlikely to establish a new principle of law and is not worthy of this Court's attention. Indeed, the Federal Circuit's decision that UC waived an issue not presented in opening brief is amply supported by precedent and is consistent with the practice of many United States Courts of Appeals. (*See* Lilly Opp. Br. at 20.)

Since the Federal Circuit found that UC waived the *Lexecon* issue, since UC failed to properly raise the validity of this aspect of the Federal Circuit's decision before this Court, and since the Federal Circuit was indeed correct that UC effectuated a waiver, UC's proposed remedy of GVR should be rejected and UC's petition should be denied.

III. CONCLUSION

For the foregoing reasons, and the reasons set forth in Lilly's Opposition Brief, Lilly urges the Court to deny UC's petition in its entirety.

Respectfully submitted,

Donald R. Dunner
Counsel of Record
Charles E. Lipsey
Howard W. Levine
John R. Alison
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P.
1300 I Street, N.W.
Washington, D.C. 20005-3315
(202) 408-4000

Counsel for Respondent Eli Lilly and Company

Of Counsel:
Amy E. Hamilton
ELI LILLY AND COMPANY
Lilly Corporate Center
Indianapolis, Indiana 46285
(317) 276-3169